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RECENT STATISTICS ON WAGES.

The statistical material relating to the course of wages and the progress of the working classes during the last two generations has been enriched by two recent publications,—one a brief report by the Massachusetts Bureau of Statistics of Labor, the other an elaborate report by the French Office du Travail. Both investigations were directed to the condition of workmen over a long series of years, and refer to the course of retail prices as well as of money wages; and both are of value alike on the social and on the monetary aspects of recent economic history.

The Massachusetts Report* continues previous inquiries on the same subject, with the result that we have figures on wages and on retail prices collected on a like method for the same industries and the same articles for the years 1860, 1872, 1878, 1891, and 1897. No attempt is made to work out an index number summarizing the general movement; and, in view of the fact that figures could not be secured continuously for each of the selected years, it was doubtless wise not to attempt to construct a representative scale of a disputable sort. But the general course of events is clear from an inspection of the tables. Money wages were lowest, almost without exception, in the initial year 1860, and at each of the later years were higher than they were at the beginning. As to the years 1872, 1881, and 1897 (which cover the much-disputed period since the fatal year 1873) the results are thus summarized in the report: "In general, the returns indicate higher wage rates in 1897 than in 1881, only eight of the classified industries in the list presenting exceptions. Of these industries, however, two show a higher rate in 1897 than in 1872. On the contrary, a decline in general appears between 1897 and 1872. To this statement, four industries present exceptions. Two of these — namely, the Building Trade and Carpetings — show an increase in 1897 as compared with both

* See the *Twenty-eighth Annual Report of the Massachusetts Bureau of Statistics of Labor*, 1897, Part I., pp. 1-42.

1881 and 1872." It need hardly be said that the figures for 1872 were corrected for the depreciated paper of that time, and arranged on a gold basis. It is probable, indeed, that in gauging the significance of the figures for that year some further allowance should be made for the inflated conditions of the speculative period 1871-73; but here questions of interpretation arise with which the statistician is not called on to deal.

As to prices, the results are of a more familiar sort, though they are of unusual value in that they give retail prices carefully collected for articles of uniform quality. Nearly all things have gone down in price, even rents. "As compared with 1872, all the articles of Groceries show lower prices in 1897 except corn-meal, and all the articles of Provisions except mutton chops." On the family budget method,—that followed in the Aldrich Report of 1892,—it is calculated that for a representative family the decline in the expense of groceries was in 1897 6.67 per cent. as compared with 1881 and 30 per cent. as compared with 1872; while for provisions the decline was 18.52 per cent. as compared both with 1872 and 1881.

The French investigation is much more elaborate. It covers the period from 1840 to 1897, fills four portly volumes, and gives a vast array of figures in detail.* The material here collected will be of service in many directions to the statistician and to the student of economic history. On the general course of money wages in France the introduction to the concluding volume gives "quelques chiffres [qui] vont suffire à marquer le chemin parcouru." These figures, indicating the trend of money wages during the past half-century, are as follows (in francs):—

* *Office du Travail: Salaires et Durée du Travail dans l'Industrie Française.* Tome I., Département de la Seine; Tome II., III., Départements autres que celui de la Seine; Tome IV., Résultats Généraux. Paris : Imprimerie Nationale, 1897.

	1840-45	1853-57	1860-65	1874	1891-93
All workmen in the departments * .	2.07	-	2.76	-	3.90
All workwomen in the departments	1.02	-	1.30	-	2.15
All workers in coal mines . . .	2.10	2.35	2.60	3.56	4.20
Masons in the departments . . .	-	2.25	-	3.15	4.05
Masons in Paris	4.15	4.25	5.25	5.50	7.50

Elsewhere another summary table is given, resting on the same set of data. The figures in this case are arranged on an index number plan, the number 100 indicating the rate of wages for 1891-93.†

	1840-45	1853	1860-65	1874	1883	1891-93
All workmen	52	-	69	-	-	100
Masons (provinces)	-	52	-	78	91	100
Day laborers (provinces) . .	-	49	-	80	89	100
Carpenters (provinces) . . .	-	51	-	80	92	100
Painters (provinces)	-	52	-	76	90	100
Nine classes of workmen (provinces)	-	52	-	79	90	100
All workers in coal mines . .	50	52	62	85	91	100
Building trades in Paris . . .	54	57	70	77	100	100
Normal index number for each period	52	52	68	80	91	100

Money wages thus have doubled in the course of the half-century; and, what is more significant, they have continued to advance during the latter part of the period (*i.e.*, since 1873), when the prices of commodities have been falling.

* *I.e.*, not including the Department of the Seine. The table appears at p. 25 of the general introduction to Volume IV.

† The table appears at p. 277, Vol. IV.

As to the prices of commodities bought by workmen, the French inquiry makes comparison chiefly between the beginning and the close of the period. During the half-century between 1840 and 1891-93 it appears that retail prices have risen, but not so much as money wages. Rents, it is true, have more than doubled (and it is to be assumed, though it is not expressly stated, that the "logement" which has thus appreciated is of the same quality). But food has been so cheapened that for lodging and for the same nourishment the workman needs to spend but 25 per cent. more; while for clothing and other things prices have so far fallen as to bring down to an even smaller figure the increase in the "frais d'un même genre d'existence." It is noted, also, that the distribution of the expenditure of the workmen, under these steadily improving conditions, has not much varied. About the same proportion of income continues to go to lodging, to food, and to other things; whence it follows, as the price of objects of necessity has advanced but little, that their consumption has greatly increased.

No such careful comparison is made as to the expenses of living during the later part of the period; *i.e.*, during the twenty years from 1873 to 1893. But for Paris the following instructive figures are given, indicating what was the annual expense for a Parisian workman of an estimated ration,—so much bread, so much meat, so much fuel, and so on. Such a budget would show the following results for decennial periods:—

<i>Period.</i>	<i>Food, heat, light.</i>	<i>Lodging.</i>	<i>Total.</i>
1844-53	931 fr.	120 fr.	1,051 fr.
1854-63	1,052	170	1,222
1864-73	1,075	220	1,295
1874-83	1,093	270	1,313
1884-93	993	320	1,353

Food, light, heat, increased in price until 1873, and since then have fallen in price. Clothing has probably fallen in price throughout the period, while rents seem to have risen throughout. Since 1873 the movement of wages and prices has been inverse: wages have risen, while prices have fallen.

From both investigations it appears that money wages have not shared the downward movement which the prices of commodities have shown since 1873. In France money wages clearly have advanced. In Massachusetts they at least held their own between 1881 and 1897. It is true that some decline appears for Massachusetts in 1897 as compared with 1872, but it is a question how far the year 1872 affords a satisfactory basis for comparison; while the year 1881, when specie payments had been resumed and prosperity had fully set in, may give such a basis. The statistical material on this part of the history of prices still needs to be completed and carefully worked over; but the inquiries here summarized confirm the general conclusion that, during the period in which the much-discussed fall in prices has taken place, money incomes have either remained stationary or have risen,—at all events, have not fallen; an aspect of the “appreciation” of gold which deserves more attentive consideration than it commonly receives.

T.

AMONG recent announcements we note the *Science of Finance*, by Professor Henry C. Adams, to be published shortly by Messrs. Henry Holt & Co. The book will suggest a financial system taking into view the necessities of the federal government and of the several States and their local bodies. The same firm will publish, in the course of the winter, a volume of selected essays in economics by the late Francis A. Walker. Messrs. Macmillan announce *The Distribution of Wealth*, by Professor John B. Clark, and *Elements of Sociology*, by Professor F. H. Giddings.

THE Parliamentary Committee on Old Age Pensions, appointed in 1896, has made a report (dated June, 1898) the gist of which is that no recommendable scheme was discovered. It should be noted, however, that the committee, by the terms of the reference, found itself precluded from considering schemes based on compulsion, and hence could not examine any plan, on the principle of the German system, for a universal grant of pensions or for compulsory contributions towards pension funds. There remained only plans in which some voluntary contribution or provision was a condition of aid. As to all such, the committee concluded that, on the one hand, they would be limited in their effect to a small section of the community, not including the persons most in need of relief; while, on the other hand, they would discourage thrift. Hence the negative conclusion of the report, which doubtless disposes of the old age proposals for the time being. None the less, all signs point to the continued discussion of the subject, and to the discovery and enactment, sooner or later, of some acceptable scheme, possibly going the length of the compulsory and universal provision, which this committee was not instructed to consider.

ALMOST simultaneously with the passage of the French Workmen's Compensation Act, described in the last number of this Journal, a similar measure for the compensation of workmen injured by accident was enacted in Italy, bearing date March 17 of the current year, and going into effect October 1. While accepting the principle of compulsion, and therein following the German measure from which has come the main impulse to this form of labor legislation, the Italian act is like the English and the French in that it leaves some choice as to the mode in which the required provision shall be made.

It establishes compulsory insurance of workmen against accident at the charge of their employers. All workmen employed in manufacturing enterprises where power is used (provided as many as five are employed), all in mines, railways, and transportation, building operations, and the like, are to be insured; but agriculture and shipping are not affected. The indemnity in case of complete and permanent disability is five times the yearly wages, but not less than 3,000 lire; in case of partial disability, a sum proportionally reduced. Where there is temporary disability, the indemnity is one-half the wages if the disability is complete, and proportionally less if it is partial. If the accident results in death, the workman's heirs get five times his yearly wages in a lump sum. The employers may assume their obligations for themselves, may insure in insurance companies of the ordinary form, or may form mutual insurance associations of their own. If permanent total disability ensues, the indemnity must usually be turned over to the State Pension Fund, which is then to pay an annuity to the injured workman. The contingency of the employer's insolvency seems to be less carefully guarded against than in the French law, the only provision being that all receipts from fines and other windfalls shall be set aside to meet such defaulted payments.*

In general, the expectation of the Italian legislators, as of the French and English, has evidently been that employers

*The text of the act has been printed by the Ministry of Agriculture, Manufactures, and Commerce (Rome: Tipografia Nazionale di G. Bertero). A careful summary of the provisions is in the English *Labour Gazette* for May, 1898.

will be led to insure themselves against the obligation to indemnify for accidents, and that the effect of compulsion will be, not a great growth of government administrative machinery, but a wide use of mutual insurance associations. Yet the drastic principle of compulsion remains in the act, which thus marks another step in the rapidly spreading system of compulsory provision against workmen's accidents by their employers.

THE "War Revenue Act," passed by Congress on June 13 of the current year, contains some provisions which are likely to be of lasting importance. While the internal taxes levied by the act may come to be permanently incorporated, in greater part or less, in the federal revenue system, their future is quite uncertain; and, at the least, they will almost certainly be much remodelled. Some fiscal and monetary matters, however, are disposed of probably once for all.

The fiscal position of the Treasury of the United States is greatly strengthened, not so much for the immediate exigency as for its operations in the long run, by general authority to borrow from time to time, by means of notes running not more than a year, to the extent of one hundred millions. The Secretary may borrow "such sums as, in his judgment, may be necessary to meet public expenditures." The authority given elsewhere in the act for the issue of bonds is limited, being available only for war expenditures; but that for the temporary notes is unrestricted except as to amount, and will remain so long as this section is not specifically repealed. The need of some elastic resource of this kind has long been obvious, and the failure to supply it has been due mainly to the unfortunate intertwining of the routine affairs of the Treasury with the disputed monetary questions. Such simple and sensible authority as is now given would have vastly bettered the situation in 1894-95, when the loans of the Cleveland administration were made. While not likely to be resorted to in the near future, it is certain that the time will

come when this power in the hands of the Secretary, now so readily given, will prove of inestimable benefit.

On the currency situation a last step is taken towards winding up the consequences of the anomalous legislation of 1890. The silver-purchase act of that year had provided that, of the Treasury notes put forth in payment of silver bullion, "no greater or less amount shall be outstanding at any time than the cost of the silver bullion and the standard silver dollars coined therefrom, then held in the Treasury purchased by such notes." Whatever uncertainty may have resulted from this puzzling proviso has now been removed by the requirement that each month at least one and one-half million silver dollars shall be coined from the bullion purchased, until all of it is converted into coin. The paper representatives of this coin — whether Treasury notes or silver certificates — must then be no less than the amount of the coin; since this coin is to be "used and applied in the manner and for the purposes named in said act" of 1890. Every ounce of the silver bought under that act is to be coined into silver dollars, and these, or their paper representatives, must take their place in the nation's currency.

It may not be amiss to recall that the Treasury records show that under the act of 1890 there were purchased 168.7 millions of ounces of silver. From these there had been coined, up to July 1 of this year, 78.7 millions of silver dollars. There remained on hand, on July 1, 107.7 millions ounces of bullion, which, when coined, will make 139.2 millions silver dollars. The amount of silver currency — whether in the form of dollars, certificates, or Treasury notes — by which the money of the country will be enlarged under the act of 1890 and its sequel thus reaches the imposing total of 218 millions of dollars.